

# DHRUVA

**CAPITAL SERVICES LIMITED**



## *Twenty Fifth Annual Report*

**2018 - 2019**

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## **NOTICE**

NOTICE is hereby given that the twenty Fifth Annual General Meeting of the Company will be held on Monday the 30th day of September, 2019 at 11.30 A.M. at Corporate Office of the Company situated at First Floor, 60-D, Panchwati, Udaipur - 313 001 (Raj.) to transact the following business :-

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss A/c as at 31st March, 2019, together with the Auditor's Report and Board's Report thereon.
2. To approve the retirement of Mr. Laxman Singh Karnawat, who retire by rotation as a Director of the Company & looking to his age & other social obligations, he has expressed his unwillingness for Re-appointment. The members of the company mark the retirement of Mr. Laxman Singh Karnawat with a thanks giving ceremony.
3. To approve the retirement of Mr. Lalit Kachhara, who has completed his tenure as an Independent Director of the Company & he is not eligible for Re-appointment. The members of the company mark the retirement of Mr. Lalit Kachhara with a thanks giving ceremony.

### **4. APPOINTMENT OF AUDITORS**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, the recommendations of the Audit Committee and the resolution passed by the members at the twenty forth AGM of the Company, held on 30-09-2018, the appointment of M/s T. K. Bohara & Co., Chartered Accountants (Firm Registration No. 000798C), Udaipur, as Auditors of the Company be and is hereby ratified.

### **SPECIAL BUSINESS :**

#### **5. Re-appointment of Mr. Kailash Karnawat as Managing Director of the Company**

To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution :

"Resolved that the Company hereby accords its approval and consent to the Re-appointment of Mr. Kailash Karnawat, as Managing Director of the Company, for a further period of five years with effect from 1<sup>st</sup> October, 2019 on the terms and conditions including remuneration, as set out in the Explanatory Statement which is annexed to the Notice convening the AGM, a copy whereof initialed by the chairman of the meeting for the purpose of identification is placed before this meeting."

#### **6. Re-appointment of Mr. Upendra Tater as an Independent Director of the Company**

To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution :

"Resolved that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any amendment, modification, variation or re-enactment thereof read with schedule IV to the Act for the time being in force, Mr. Upendra Tater be & is hereby Re-appointed as an Independent Director of the Company, to hold office as such for a further period of 5 (five) consecutive years with effect from the conclusion of this AGM, till the conclusion of thirtieth AGM, AND THAT he shall not be liable to retire by rotation."

By order of the Board  
For Dhruva Capital Services Ltd.

sd/-

(KAILASH KARNAWAT)

MANAGING DIRECTOR

DIN: 00300998

Place : Udaipur

Dated : 13-08-2019

Registered Office : 003 - 'A', "Circle View", 169, Fatehpura, Near Sukhadia Circle, UDAIPUR - 313 001

Ph.: 0294-2425555 Fax : 0294-2423150 Website : [www.dhruvacapital.com](http://www.dhruvacapital.com)

## NOTES :

1. A MEMBER ENTITLED TO ATTEND & VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND & VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxies, in order to be effective, should be duly completed, stamped & signed and must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September' 2019 to 30th September' 2019 (both days inclusive) for the purpose of holding 25<sup>th</sup> AGM.
4. Members are requested to :
  - (a) Notify any change in their registered address along with pin code numbers.
  - (b) Quote their respective **LEDGER FOLIO No. / DPID / Client ID** on every communication with the Company.
  - (c) Bring their copies of Annual Report to the meeting. No copies of the Annual Report will be available for distribution to the members at the meeting.
  - (d) Deposit duly filled-in attendance slip annexed to the proxy form at the entrance to the place of the meeting and not to bring with them any other person who is not a member / proxy.
  - (e) Write to the Company at least 7 days before the date of the meeting regarding any information on accounts so as to enable the Company to keep the information ready.
5. In terms of SEBI Circular dated 20th May 2009 and 7th January, 2010 pertaining to (i) transfer of physical shares (ii) deletion of name of the deceased shareholder(s) where the shares are held in the name of two or more shareholders (iii) transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares, and (iv) transposition of shares. Shares are held jointly in the names of two or more shareholders of listed company, the transferors are requested to furnish copy of their Permanent Accountant Number (PAN) Card along with other documents to the RTA for the above mentioned purpose, irrespective of the value of the transaction.
6. Details in respect of the Director seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / reappointment.
7. Electronic copy of the Annual Report along with Notice of the 25<sup>th</sup> Annual General Meeting are being sent to all the members holding shares in demat form and whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies are being sent in the permitted mode.
8. The Notice of the 25<sup>th</sup> Annual General Meeting and the Annual Report for F.Y. 2018-19 will be available on the Company's website [www.dhruvacapital.com](http://www.dhruvacapital.com). Documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send requests to [dhruvacapital@gmail.com](mailto:dhruvacapital@gmail.com).
9. Relevant documents referred to in the accompanying Notice shall be open for inspection at the Registered/Corporate Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturday, up to the date of the Annual General Meeting of the Company.
10. Pursuant to SEBI Circular SEBI / HO / MIRSD / DOP 1 / CIR / P / 2018 / 73 dated 20<sup>th</sup> April, 2018, shareholders holding shares in physical form, whose folio do not have / have incomplete details with

respect to PAN and bank particulars are mandatorily required to furnish PAN & Bank details to the Company / Registrar & Transfer Agent (RTA) for Registration under their FOLIO.

11. In terms of SEBI Gazette Notification dated 8<sup>th</sup> June, 2018, shares in physical form will not be transferred after 5<sup>th</sup> December, 2018. Hence, in your interest, it is advised to get your shares converted into DEMAT form at the earliest.

## **EXPLANATORY STATEMENT**

**(Pursuant to section 102 of The Companies Act, 2013)**

### **12. Item No. : 5**

Shri Kailash Karnawat was Re-appointed as Managing Director of the Company in the Twentieth Annual General Meeting of Shareholders of the Company held on 30th September, 2014 with effect from 1st October, 2014 for a period of five years which is going to end on 30-09-2019. The Board feels that he has worked very well for the benefit of Company and it would be for the benefit of the Company if his services are continued. Therefore the Board had decided in its meeting held on 13-08-2019 to Re-appoint Shri Kailash Karnawat as Managing Director of the Company for a further period of five years with effect from 01-10-2019, subject to approval and consent of Shareholders of the Company in ensuring Annual General Meeting, on the terms and conditions mentioned below :

The principal terms and conditions of re-appointment of Mr. Kailash Karnawat including remuneration payable are as under :

- (1) Period of Appointment : 5 years with effect from 1st October, 2019.
- (2) Mr. Kailash Karnawat shall carry out such duties and exercise such powers as may be entrusted to him from time to time by the Board.
- (3) Remuneration : Basic Salary Rs. 60,000/- (Rs. Sixty Thousand only) per month.
- (4) Perquisite & Allowances : In addition to the remuneration mentioned in clause (3) above, Mr. Kailash Karnawat shall also be entitled to perquisites and benefits classified into the following 3 categories, namely A, B and C.

#### **CATEGORY - A**

The Company will provide rent free, fully furnished accommodation with the gas, electricity, water and servant.

The Company shall reimburse Managing Director, medical expenses for self and family, subject to ceiling of one month's salary in a year or three month's salary in a block of three years.

The Company shall reimburse Managing Director, actual travelling expenses once in a year for self and family, in accordance with the rules of Company.

The Company shall pay fees of two Clubs excluding admission and life membership fees.

The Company shall arrange to insure Managing Director against personal accident risk, subject to the condition that the premium payable by Company shall not exceed Rs. 12,000/- (Rs. Twelve thousand only) per annum.

Family means spouse, dependent children and dependent parents of Managing Director.

#### **CATEGORY - B**

The Company shall contribute to the Provident Fund, Superannuation Fund or Annuity

Fund as per the Company's Rules to the extent these either singly or put together are below taxable limits under the Income Tax Act, 1961.

The perquisites in Category A and Category B will be restricted to an amount equivalent to the annual salary as above, provided that the contribution to the Provident Fund, Superannuation Fund and Annuity Fund will not be included in this ceiling.

In addition, Shri Kailash Karnawat shall also be entitled to Gratuity at the rate of half month's salary for each completed year of service.

**CATEGORY - C**

Provision of the car with driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to Managing Director.

The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may in its discretion & deem fit so as not to exceed the limits specified by **Schedule V of the Companies Act, 2013** or amendments made thereafter in that regard.

In the event of loss or inadequacy of profit in any year, remuneration including perquisites as aforesaid will be paid to Mr. Kailash Karnawat in accordance with the applicable provisions of the **Schedule V of the Companies Act, 2013** and will be adjusted appropriately.

If at any time, the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall also cease to be the Managing Director.

Save and except Mr. Kailash Karnawat, none of the other Directors of the Company are in any way concerned or interested in the Resolution proposed.

The above may be regarded as an "abstract of the agreement and memorandum of interest" under **Section 190 of the Companies Act, 2013**.

**13. Item No. : 6**

The provisions of Section 149 of the Companies Act, 2013 (Act) require all listed Companies to appoint requisite number of independent Directors on its Board. In terms of aforesaid Section, an Independent Director can hold office for maximum two terms of up to 5 consecutive years each, on the Board of a Company, but shall be eligible for Re-appointment after first term on passing of a special resolution by shareholders of the Company. Further, the Director appointed under the aforesaid section is not liable to retire by rotation and his appointment shall be subject to the approval of shareholders of the Company as per Section 150 of the Act.

In the opinion of the Board, Mr Upendra Tater, who is completing his first tenure of five years as an Independent Director on conclusion of the ensuing AGM, on the Board of the Company, is fulfilling the conditions specified in the Act and the Rules made thereunder for his Re-appointment as an Independent Director of the Company.

Therefore, the Board of Directors proposes the aforesaid Re-appointment of Mr. Upendra Tater as an Independent Director of the Company for a further period of five years with effect from conclusion of the ensuing AGM till the conclusion of 30<sup>th</sup> AGM & recommends the resolution at Item no. 6 of the Notice for approval by the shareholders.

None of the Directors other than Mr. Upendra Tater is deemed to be interested or concerned in the resolution.

**14. APPOINTMENT OF SCRUTINIZER :**

In compliance with provisions of the Companies Act, 2013, the Company is also offering the e-voting facility to the members to enable them to cast their votes electronically. E-voting facility would remain open only from 27.09.2019 to 29.09.2019 (both days inclusive).

Mr. Mukesh Bohara, Chartered Accountant, 4<sup>th</sup> Floor, Lodha Complex, Court Chouraha, Udaipur (CA Membership No. 401253) has been appointed as Scrutinizer for scrutinizing e-voting system in a fair and transparent manner and to give his report thereon.

## 15. SHAREHOLDER INSTRUCTIONS FOR E-VOTING :

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

- (i) The voting period begins on 27.09.2019, 9AM and ends on 29.09.2019 5PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23.09.2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders / Members
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN 190902044 for the relevant Company "DHRUVA CAPITAL SERVICES LTD." on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians:-
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By order of the Board  
For Dhruva Capital Services Ltd.

sd/-

(KAILASH KARNAWAT)

MANAGING DIRECTOR

DIN: 00300998

Place : Udaipur

Dated : 13-08-2019

## BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Twenty Fifth Annual Report together with Audited Accounts of the Company for the year ended on 31st March, 2019.

### 1. FINANCIAL RESULTS :

For the Year ended	(Rs. in Lacs)	
	31-03-2019	31-03-2018
Income From Operations	19.48	22.30
Other Income	3.42	3.51
Operational Expenses	15.53	15.51
Profit/Loss before Dep., Tax & Misc. Expenses	7.36	10.30
Depreciation & Misc. Exp. W/off	4.28	4.30
Provision for Taxation		
1. Current Taxes	1.18	1.86
2. Deferred Taxes	(0.52)	(0.42)
Profit / Loss after Tax	2.42	4.56
Balance Carried to Balance Sheet	2.42	4.56

### 2. PERFORMANCE :

The Net Profit of the Company during the year under review was Rs. 2.42 Lakhs as compared to Net Profit of Rs. 4.56 Lakhs in the previous year.

#### REVIEW OF OPERATIONS & FUTURE OUTLOOK :

Interest was the major source of earning during this year. The initiatives taken by the Company to improve its operations in the coming financial years are good. Your Company is intensifying its focus on the NBFC business & liquidate its real estate investment.

### 3. DIVIDEND :

Since your Company has not made enough profit during the year under review, your directors have not recommended any dividend.

### 4. PUBLIC DEPOSITS :

The Company has not accepted any deposit from public during the year ended 31st March 2019, as per provisions of Sections 73 to 76 of the Companies Act, 2013.

### 5. SECRETARIAL AUDIT REPORT :

As done in earlier years, Secretarial Audit Report for the FY 2018-19, pursuant to section 204 (1) of the Companies Act, 2013 has been obtained by the Company from Shri Mohit Vanawat, a Company Secretary in practice (M. No.: 45179, C.P. No.: 16528) which is attached with this report & there is no qualification, reservation or adverse remark in it.

### 6. CONSERVATION OF ENERGY :

Not applicable since your Company being a Financial Services Company.

### 7. TECHNOLOGY ABSORPTION :

No comment is necessary considering the nature of activities of your Company during the year under review.

### 8. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Your Company does not have any foreign exchange earnings and outgo during the year under review.

### 9. DIRECTORS :

Mr. Laxman Singh Karnawat, Director of the Company, retires by rotation at the ensuing Annual General Meeting. Looking to his age & other social responsibilities, he has expressed his inability to continue to serve as a director & chairman of the Company. Board express its grateful thanks & heartfelt appreciation to him for his entire tenure & long association with the Company.



Mr. Lalit Kachhara, Independent Director of the Company shall hold office until the conclusion of ensuing Annual General Meeting. His tenure as an Independent Director will expire after conclusion of the ensuing AGM & further he is not eligible for reappointment. Board express its grateful thanks & heartfelt appreciation to him for his entire tenure & long association with the Company.

Mr. Kailash Karnawat, Managing Director of the Company shall hold office until the conclusion of ensuing Annual General Meeting. Board has recommended his reappointment as a Managing Director for a further period of 5 years w.e.f. 01.10.2019 at the terms, as set out in the Notice to AGM.

Mr. Upendra Tater is completing his first tenure as an Independent Director of the Company upon the conclusion of ensuing Annual General Meeting. Board has proposed to give him another term of five years & recommended his reappointment as an Independent Director for a further period of 5 years w.e.f. 01.10.2019, as set out in the Notice to AGM.

## 10. NOMINATION & REMUNERATION POLICY :

This policy has been formulated in accordance with the provisions of sec. 178 of Companies Act, 2013 and the listing agreement with the Bombay Stock Exchange (BSE Ltd.).

The Major Criteria for recommending a person to become a Director are :

**Qualification** - He/She must have appropriate qualification and technical knowledge, which would be useful to the Company.

**Qualities** - Honesty and dedication for work should be possessed by a person, along with a strategic vision.

**Experience** - Work experience in different areas is also a matter of consideration.

**Track Record** - A clean track record is required for recommendation to the post of director. Appropriate Remuneration shall be paid to the directors, on above basis.

**Evaluation of performance is also made for the directors, the basis of which is mentioned hereunder :** Attendance, punctuality, Advises, Exercising of duties & powers given by board, conduct in compliance with the policies of Company viz. code of conduct & whistleblower policy etc., Ensuring Compliance with applicable laws/statutory obligations by the Company, Acting in good faith & in the best interest of the Company, Independence in judgments, Promoting best interest of shareholders, Resolution of Investor Complaints, Encouragement of talent retention/morality & Commitments/new initiatives, expansion & innovation/recognitions etc. and overall performance of any director are the criterion of evaluation.

## 11. DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to the requirements under Section 134 (3) (C) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that :

- i. in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures.
- ii. the Directors had selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for the year under review.
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the Directors had arranged preparation of the accounts for the financial year ended March 31, 2019 on a "going concern" basis.
- v. the directors had laid down internal financial controls to be followed by the Company & that such internal financial controls are adequate and were operating effectively; &
- vi. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 12. MANAGEMENT DISCUSSIONS & ANALYSIS REPORT :

### INDUSTRY STRUCTURE & DEVELOPMENT :

No concessions are being given to NBFC Industry by govt. so that the industry can withstand competitions from banks and other lending institutions. Moreover due to unhealthy business environment for the last many years, the margins have squeezed and the cost of operations has increased consistently.

## OPPORTUNITIES & THREATS :

Fluctuations in the interest rate in economy has created uncertainty in the business of finance. The biggest threat for Non Banking Finance Companies arise from the vast gap existing between demand and supply.

Another threat for Non Banking Finance Companies comes from increased competition from banking industry, which is in a position to lend at competitive rates due to availability of huge funds at a cheaper cost. The Company expect stable interest rates in the coming period and is confident of meeting the challenges by increasing volume of business at nominal margin.

## RISK AND CONCERNS :

Like any other industry, the Company's business is also exposed to various business risks.

Continuous efforts are made to reduce the cost of funds, increase the volume of the business and to control the NPAs within a bearable limit to minimize the impact of declining spread.

## INTERNAL CONTROL SYSTEM :

The Company has proper and adequate internal control system in all the areas of its activities. The Company's Audit Committee reviewed the internal control system and looked in to the observations of the statutory auditor.

## DISCUSSION ON FINANCIAL PERFORMANCE :

The financial performance of the Company for the year has been discussed in the Director's Report and cash-flow statement is annexed with the Annual Accounts.

## HUMAN RESOURCES / INDUSTRIAL RELATIONS :

The relation between the Company and its employees remained cordial through-out the year and the management expects the same to continue and receive full support and cooperation from its employees in future also.

## 13. AUDITORS :

M/s T. K. Bohara & Co., Chartered Accountants, Auditors of the Company shall hold office until the conclusion of ensuing Annual General Meeting. The Auditors being eligible, offer themselves for reappointment. Pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the said Auditors are eligible to hold office for a term up to next four years, subject to approval of shareholders at the ensuing AGM, as set out in the Notice to ensuing 25th AGM.

## **FORM MR-3**

### **SECRETARIAL AUDIT REPORT**

**(For the Financial Year ended 31<sup>st</sup> March, 2019)**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
DHRUVA CAPITAL SERVICES LIMITED,  
003-A, "CIRCLE VIEW", APARTMENT, 169 - FATEHPURA, NEAR SUKHADIA CIRCLE,  
UDAIPUR RJ 313001 IN

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/S **DHRUVA CAPITAL SERVICES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period **01.04.2018 to 31.03.2019**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **DHRUVA CAPITAL SERVICES LIMITED** ("The Company") for the period ended on 31<sup>st</sup> March, 2019 according to the provisions of:

1. The Companies Act, 2013 (**the Act**) and the Rules made there under;

2. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. Overseas Direct Investment and External Commercial Borrowings.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (UPTO 10<sup>TH</sup> November 2018) and Securities and Exchange Board of India (Issue Capital and Disclosure requirement) Regulations, 2018 with effect from 11<sup>th</sup> November, 2018- **Not applicable as the Company has not issued any further share capital during the year under review**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines / regulations during the year under review;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities which were listed during the year under review;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;- Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 -(UPTO 10<sup>TH</sup> November 2018) and securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 with effect from 11<sup>th</sup> November, 2018 **Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review;** and
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. **I have also examined compliance with the applicable clauses of the following:**
  - (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS- 2) issued by The Institute of Company Secretaries of India.
  - (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
7. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned below :
  - a) The Reserve Bank of India Act, 1934.
  - b) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. : **Non Deposit taking Company**
  - c) Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
  - d) Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.
  - e) Master Circular – Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015.

8. I have also examined that during the year -
- Company has complied with Rule 25A of the Companies (Incorporation) Rules, 2014 and file INC-22A form with ROC within the time period specified.
  - Company has complied with MSME Act, 2006 and Order 2 and 3 issued under Section 405 of the Companies Act, 2013 and has filed MSME Form 1 (Initial Return and Half Yearly Return) with ROC within the time period specified.
  - Company has complied with Rule 16 of the Companies (Acceptance of Deposits) Rules, 2014 and file DPT-3 form with ROC within the time period specified.
  - Company has also complied with Rule 12A of Companies (Appointment and Qualification of Directors) Rules, 2014 and file DIR-3 KYC form with ROC within the time period specified.

9. I further report that:

A. the Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes made to the composition of the Board of Directors were duly carried out during the period covered under the Audit. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

S.No.	NAME OF DIRECTORS	CATEGORY
1.	Mr. LAXMAN SINGH KARNAWAT	Chairman, Promoter Executive
2.	Mr. KAILASH KARNAWAT	Managing Director, Promoter Executive
3.	Mrs. MEENA KARNAWAT	Promoter Non-Executive
4.	Mr. LALIT KACHHARA	Independent Non- Executive
5.	Mr. ASHOK KUMAR DOSHI	Independent Non- Executive
6.	Mr. UPENDRA TATER	Independent Non- Executive

B. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

C. All the decisions, at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

10. I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.
11. I further report that during the review period no major action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. above have taken place.

Place: Udaipur

Dated: 13th August, 2019

FOR MOHIT VANAWAT AND ASSOCIATES

Sd/-

(MOHIT VANAWAT )

Company Secretaries

M. No.: 45179, C.P. No.: 16528

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

## “ANNEXURE A”

To,  
The Members,  
DHRUVA CAPITAL SERVICES LIMITED,  
003-A, "CIRCLE VIEW", APARTMENT, 169 - FATEHPURA, NEAR SUKHADIA CIRCLE,  
UDAIPUR RJ 313001 IN

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR MOHIT VANAWAT AND ASSOCIATES

Sd/-

(MOHIT VANAWAT )

Company Secretaries

M. No.: 45179, C.P. No.: 16528

Place : Udaipur

Dated: 13th August, 2019

## IMPORTANT SEBI CIRCULARS

Pursuant to SEBI Circular SEBI / HO / MIRSD / DOP 1 / CIR / P / 2018 / 73 dated 20<sup>th</sup> April, 2018, shareholders holding shares in physical form, whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish PAN & Bank details to the Company / Registrar & Transfer Agent (RTA) for Registration under their FOLIO.

In terms of SEBI Gazette Notification dated 8<sup>th</sup> June, 2018, shares in physical form will not be transferred after 5<sup>th</sup> December, 2018. Hence, in your interest, it is advised to get your shares converted into DEMAT form at the earliest.

## DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF COMPANIES ACT, 2013 READ WITH RULE 5(1)

Sr. No.	NAME OF DIRECTOR / KMP & DESIGNATION	REMUNERATION FOR 2018-19 (Amount in Rs.)	PERCENTAGE INCREASE/(DECREASE) IN COMPARISON TO PREVIOUS YEAR	RATIO IN COMPARISON TO MEDIAN REMUNERATION OF EMPLOYEES
1	MR. L.S. KARNAWAT (C)	NIL	N.A.	N.A.
2	MR. KAILASH KARNAWAT (MD)	7,20,000/-	NIL	6.67 : 1
3	MRS. MEENA KARNAWAT(D)	NIL	N.A.	N.A.
4	MR. LALIT KACHHARA (D)	NIL	N.A.	N.A.
5	MR. KIRTI JAIN (D)	NIL	N.A.	N.A.
6	MR. UPENDRA TATER (D)	NIL	N.A.	N.A.
7	MR. ASHOK KUMAR DOSHI (D)	NIL	N.A.	N.A.

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies(Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS :

i.	CIN	L67120RJ1994PLC008593
ii.	Registration Date	31.01.1995
iii.	Name of the Company	DHRUVA CAPITAL SERVICES LTD.
iv.	Category/ Sub-Category of the Company	PUBLIC COMPANY/ LIMITED BY SHARES
v.	Address of the Registered office and contact details	003-A, CIRCLE VIEW APARTMENTS, 169, FATEHPURA, SUKHADIA CIRCLE, UDAIPUR 313001 PHONE No. : 0294-2425555, +91-9414471999
vi.	Whether listed company	Yes (with BSE Ltd.)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	BIGSHARE SERVICES PVT. LTD., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments, Makwana Road, Marol, Andheri East, Mumbai - 400059 Tel. No. 022-62638200, Fax : 022-62638299 E-mail : info@bigshareonline.com www.bigshareonline.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated :-

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	FINANCIAL SERVICES	649	82.70

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : [ NOT APPLICABLE ]

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### a. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	1358000	NIL	1358000	41.6347	1358000	NIL	1358000	41.6347	NIL
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp	842800	NIL	842800	25.8393	842800	NIL	842800	25.8393	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (A) (1):</b>	<b>2200800</b>	<b>NIL</b>	<b>2200800</b>	<b>67.4740</b>	<b>2200800</b>	<b>NIL</b>	<b>2200800</b>	<b>67.4740</b>	<b>NIL</b>
<b>2) Foreign</b>									
g) NRI/Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
j) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
k) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub- total(A)(2):</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	31169	NIL	31169	0.9556	31169	NIL	31169	0.9556	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub - total (B) (1)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.									
(i) Indian	51930	1600	53530	1.6412	51142	1600	52742	1.617	-0.0242
(ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
(i) Individual Shareholders holding nominal share capital upto Rs.2 lakhs	374520	184425	558945	17.1366	378108	181625	559733	17.1608	+0.0242
(ii) Individual Shareholders holding nominal share capital in excess of Rs 2 lakhs	416996	NIL	416996	12.7846	416996	0	416996	12.7846	NIL
c) Clearing Member	260	NIL	260	0.0080	260	0	260	0.0080	NIL
<b>Sub-total(B)(2)</b>	<b>874875</b>	<b>186025</b>	<b>1060900</b>	<b>32.5260</b>	<b>877675</b>	<b>183225</b>	<b>1060900</b>	<b>32.5260</b>	<b>NIL</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>874875</b>	<b>186025</b>	<b>1060900</b>	<b>32.5260</b>	<b>877675</b>	<b>183225</b>	<b>1060900</b>	<b>32.5260</b>	<b>NIL</b>
<b>C. Shares heldby Custodian for GDRs &amp; ADRs</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Grand Total (A+B+C)</b>	<b>3075675</b>	<b>186025</b>	<b>3261700</b>	<b>100.00</b>	<b>3078475</b>	<b>183225</b>	<b>3261700</b>	<b>100.00</b>	<b>NIL</b>

## b. Shareholding of Promoters for the period 01.04.2018 to 31.03.2019

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	MEENA KARNAWAT	651800	19.9834	NIL	651800	19.9834	NIL	NIL
2.	Nakul Buld. & Develop. (P) LTD.	644500	19.7596	NIL	644500	19.7596	NIL	NIL
3.	KAILASH KARNAWAT	576200	17.6656	NIL	576200	17.6656	NIL	NIL
4.	Karnawat Hire Purchase (P) LTD.	198300	6.0797	NIL	198300	6.0797	NIL	NIL
5.	L.S. KARNAWAT	70000	2.1461	NIL	70000	2.1461	NIL	NIL
6.	DHRUVA KARNAWAT	30000	0.9198	NIL	30000	0.9198	NIL	NIL
7.	KAILASH KARNAWAT (HUF)	20000	0.6132	NIL	20000	0.6132	NIL	NIL
8.	PUSHPA DEVI KARNAWAT	10000	0.3066	NIL	10000	0.3066	NIL	NIL
	Total	2200800	67.47	NIL	2200800	67.47	NIL	NIL

## c. Change in Promoters' Shareholding (please specify, if there is no change)

[NO CHANGE IN PROMOTER'S SHAREHOLDING]

## V. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS OTHER THAN PROMOTERS, DIRECTORS AND HOLDERS OF ADR's, GDR's.

Sr. No	Shareholder's Name	Shareholding		AS ON (DATE)	INCREASE/ DECREASE	REASON
		No. of Shares	% of total Shares of the company			
1	NAKUL KARNAWAT	200800 200800	6.156 6.156	01.04.2018 31.03.2019	NIL	N.A.
2	AKASH SUNILBHAI JAIN	116500 116500	3.572 3.572	01.04.2018 31.03.2019	NIL	N.A.
3	CANARA BANK, NEW DELHI	31169 31169	0.9556 0.9556	01.04.2018 31.03.2019	NIL	N.A.
4	PUMARTH CREDIT & CAPITAL LTD.	31015 31115	0.9509 0.954	01.04.2018 31.03.2019	+0.0031	PURCHASE
5	SHEELA DEVI KASTURI	30000 30000	0.9198 0.9198	01.04.2018 31.03.2019	NIL	N.A.
6	NIRMALABEN K. SHAH	25086 25086	0.77 0.77	01.04.2018 31.03.2019	NIL	N.A.
7	BHARATI NAVLANI	22480 22480	0.69 0.69	01.04.2018 31.03.2019	NIL	N.A.
8	MANGILAL PORWAL	22130 22130	0.68 0.68	01.04.2018 31.03.2019	NIL	N.A.
9	PREMIER EXIM SERVICES (P) LTD.	16300 16300	0.4997 0.4997	01.04.2018 31.03.2019	NIL	N.A.
10	VINOD GANDHI	14150 14150	0.43 0.43	01.04.2018 31.03.2019	NIL	N.A.



## VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	147682.83	319488.00	NIL	467170.83
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total(i+ii+iii)</b>	<b>147682.83</b>	<b>319488.00</b>	<b>NIL</b>	<b>467170.83</b>
Change in Indebtedness during the financial year				
- Addition	NIL	NIL	NIL	NIL
- Reduction	147682.83	NIL	NIL	(147682.83)
Net Change	147682.83	NIL	NIL	(147682.83)
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	319488.00	NIL	319488.00
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>319488.00</b>	<b>NIL</b>	<b>319488.00</b>

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Man. Director, Whole-time Directors and/or Manager/KMP (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		KAILASH KARNAWAT (MD)	SOMALI JAIN (CS)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	720000/-	120000/-	840000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission			
	- as% of profit	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
6.	Total(A)	720000/-	120000/-	840000/-
	<b>Ceiling as per the Act</b>	<b>6000000/-</b>	<b>6000000/-</b>	<b>6000000/-</b>

**B. Remuneration to the directors:**

NO REMUNERATION / PERQUISITE HAS BEEN PAID TO ANY OF THE DIRECTORS OTHER THAN MANAGING DIRECTOR MR. KAILASH KARNAWAT.

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Ms. Somali Jain (Company Secretary) - Rs. 1,20,000/- (Rs. One Lakh Twenty Thousand Only).

**VIII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

"NIL" ON COMPANY / DIRECTORS / OTHER OFFICERS.

**14. REPORT ON CORPORATE GOVERNANCE :**

**1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE :**

Our Company has always believed in the concepts of good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhance the Shareholder's value. The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

**2. COMPOSITION OF BOARD OF DIRECTORS :**

The Company has a combination of executive and non-executive Directors. The Company has an executive chairman and half of the Board of Directors are independent Directors. The number of non-executive Directors are 50% of total number of Directors.

None of the Directors on the Board is a member of more than 10 committees and chairman of more than 5 committees {as per clause 49 (iv) (B)} across all the Companies in which he is a Director. All the Directors have made requisite disclosures regarding committee positions occupied by them in other Companies. The Company's Board at present have six Directors comprising one Managing Director, Two Promoter Directors and Three non executive Independent Directors.

The Board met 4 times during the year on 29-05-2018, 14-08-2018, 14-11-2018 & 14-02-2019. The name and category of Directors on the Board, their attendance at Board Meetings held during the year ended on 31st March, 2019, at the last Annual General Meeting & also, number of Directorships and committee positions as held by them in other Public Limited Companies as on 31-03-2019 are given below :

Name	Category	No. of Board Meetings attended out of 4 meetings held during the year 2018-19	Whether attended AGM held on 30.09.18	No. of Directorship held in other Public Limited Companies	No. of committee positions held in other Public Limited Companies	
					Chairman	Member
Mr. L.S. Karnawat	Promoter Executive	4	Yes	Nil	Nil	Nil
Mr. Kailash Karnawat	Promoter Executive	4	Yes	Nil	Nil	Nil
Mrs. Meena Karnawat	Promoter Non Executive	4	Yes	Nil	N.A.	N.A.
Mr. Lalit Kachhara	Independent Non Executive	4	No	Nil	N.A.	N.A.
Mr. Kirti Jain	Independent Non Executive	1	No	Nil	N.A.	N.A.
Mr. Upendra Tater	Independent Non Executive	3	No	Nil	N.A.	N.A.
Mr. Ashok Kumar Doshi	Independent Non Executive	2	No	1	NIL	1

**3. COMMITTEES OF THE BOARD :**

**AUDIT COMMITTEE :**

The Company has an Audit Committee with scope of activities as set out in Clause 49 of the Listing Agreement with Stock Exchange read with Section 177 of the Companies Act, 2013. The broad terms for reference of the Audit committee are as under.

- To hold periodic discussions with the Statutory Auditor's and Internal Auditor's of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditor's/Internal Auditor's.
- To review compliance with internal control system.
- To review the quarterly, half yearly and annual financial results of the Company before submission to the Board.
- To make recommendation to the Board on any matter relating to the financial management of the Company, including the Audit Report.

The Audit Committee is presently comprised of three Non- Executive Directors viz. Mr. Lalit Kachhara as Chairman of the committee, Mr. Ashok Kumar Doshi and Mr. Upendra Tater as its members. One member Mr. Kirti Jain was retired during the year under review.

The Committee met four times during the year on the following dates viz May 29, 2018, August 14, 2018, November 14, 2018 and February 14, 2019. Attendance of the members at the meetings is as stated below.

### ATTENDANCE OF THE AUDIT COMMITTEE MEETINGS

Name of Director	Number of Meetings Attended
Mr. Lalit Kachhara	Four
Mr. Kirti Jain	One
Mr. Upendra Tater	Three
Mr. Ashok Kumar Doshi	Two

### NOMINATION & REMUNERATION COMMITTEE :

The composition of the Nomination & Remuneration Committee and the details of meeting attended by the Directors are given below. Nomination & Remuneration Committee met once on May 29, 2018 during F.Y. 2018-19.

Name of Director		No. of Meetings during the period	
		Held	Attended
Mrs. Meena Karnawat	Promoter Non-executive Director	One	One
Mr. Upendra Tater	Independent Non-executive Director	One	One
Mr. Kirti Jain (Part of the year)	Independent Non-executive Director	One	One
Mr. Ashok Kumar Doshi (Part)	Independent Non-executive Director	One	—

Given below are the details of remuneration paid to directors during the financial year 2018-19

Name	Sitting Fees (Rs.)	Salary (Rs.)	Perquisites (Rs.)	Commission paid during the year (Rs.)
Mr. L.S. Karnawat	Nil	Nil	Nil	Nil
Mr. Kailash Karnawat	Nil	7,20,000/-	Nil	Nil
Mrs. Meena Karnawat	Nil	Nil	Nil	Nil
Mr. Lalit Kachhara	Nil	Nil	Nil	Nil
Mr. Upendra Tater	Nil	Nil	Nil	Nil
Mr. Kirti Jain	Nil	Nil	Nil	Nil
Mr. Ashok Kumar Doshi	Nil	Nil	Nil	Nil

The Company pays remuneration to its Managing Director by way of salary and perquisites. Remuneration is paid as approved by the Shareholders. The Board on the recommendation of the Remuneration Committee approves the annual increments. The appointment / re-appointment of Managing Director is contractual and subject to termination by three months notice in writing by either side.

### SHARE HOLDER'S / INVESTOR'S GRIEVANCES COMMITTEE :

The Company has an independent Shareholder's Grievances Committee which comprises of :

Name of Director		Number of Meetings Attended
Mr. Kirti Jain (Part of the year)	Chairman	Nil
Mr. Ashok Kumar Doshi (Part of the year)	Chairman	One
Mr. L.S. Karnawat	Member	Two
Mr. Kailash Karnawat (M.D.)	Member	Two

One member Mr. Kirti Jain was retired during the year under review.

The shareholder's/investor's grievances committee met twice on August 14, 2018 and February 14, 2019 during the year ended on 31st March, 2019. The committee is prompt in attending to requests received for transfer, split, consolidation as well as issue of duplicate certificates well within the stipulated time. Status of complaints received during the year ended on 31-03-2019 is as under.

Number of complaints received from investors comprising of non-receipt of Annual Report, Shares sent for transfer and transmission, complaints received from SEBI etc.	3
Number of complaints resolved.	3
Number of complaints pending as on 31-03-2019.	NIL

## 4. General Body Meetings :

Fin. Year	Type	Date	Venue	Time
2015-2016	AGM	30th Sept., 2016	First Floor, 60 -D, Panchwati Udaipur -313 001	11.30 A.M.
2016-2017	AGM	30th Sept., 2017	First Floor, 60-D, Panchwati Udaipur -313 001	11.30 A.M.
2017-2018	AGM	30th Sept., 2018	First Floor, 60-D, Panchwati Udaipur-313 001	11.30 A.M.

## 5. Disclosure on materially significant related party transactions :

- During the year, the Company has incurred transactions with related parties. However they were not potentially in conflict with interest of the Company.
- No penalties have been imposed on the Company by Stock Exchange, SEBI or any statutory authority in any matter relating to the capital markets during last three years.

## 6. Means of communication to the shareholders :

Timely disclosure of the performance of the Company is an integral part of good governance. Your Company disseminates information about its performance to Stock Exchange, Media & Shareholders. The Quarterly and Annual Results of the Company are being published in News Papers also, as required under Listing Agreement as well as on Company's Website [www.dhruvacapital.com](http://www.dhruvacapital.com)

**Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies through electronic mode, vide its Circular Nos. 17/2011 & 18/2011 dated April 21, 2011 and April 29, 2011, respectively.**

**Your Company proposes to deliver electronically any communication / documents including the Annual Reports and such other necessary communication/documents from time to time to the Members, who have provided their e-mail address to their Depository Participant (DP). Members holding shares in physical form and who are desirous of receiving the communication/documents in electronic form, are requested to please promptly inform their e-mail address to the RTA/ Company.**

## 7. General Shareholders information :

- Next Annual General Meeting :

**Date** - Sunday, 30.09.2019, **Time**-11.30 A.M., **Venue**- First Floor, 60-D, Panchwati, Udaipur (Raj.)

- Financial Calendar :

Financial Reporting for the Quarter ending 30th June, 2019	Mid Aug., 2019
Financial Reporting for the Half Year ending 30th September, 2019	Mid Nov., 2019
Financial Reporting for the Quarter ending 31st December, 2019	Mid Feb., 2020
Financial Reporting for the Year ending 31st March, 2020	End May, 2020

- Book Closure 23-09-2019 to 30-09-2019 (both days inclusive).
- No dividend is proposed to be paid.
- Listing on Stock Exchanges :-  
**Shares of the Company are listed at Bombay Stock Exchange Ltd. (BSE Ltd.), Mumbai.**
- Registrar & Transfer Agent :-  
M/s Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments, Makwana Road, Marol, Andheri East, Mumbai - 400059 Tel. No. 022-62638200, Fax : 022-62638299  
e-mail : [info@bigshareonline.com](mailto:info@bigshareonline.com), Website : [www.bigshareonline.com](http://www.bigshareonline.com)
- Dematerialisation of shares of the Company :-  
Connectivity of securities of our Company have been activated by National Securities Depository Limited (NSDL) w.e.f. 01-03-2004 and Central Depository Service Ltd. (CDSL) w.e.f. 13-10-2006.  
The ISIN are as mentioned below:-  
NSDL ISIN — INE 972E01014.  
CDSL ISIN — INE 972E01014.

h. Distribution of Shareholding as on 31.03.2019 :-

Nominal Share Capital	No. of Shareholders	% of Total Shareholders	Total Equity Shares	% of Paid Up Share Capital
Upto 500	496	70.2550	113057	3.4662
501 - 1000	105	14.8305	90260	2.7673
1001 - 2000	35	4.9435	54709	1.6773
2001 - 3000	12	1.6949	31037	0.9516
3001 - 4000	10	1.4164	35831	1.0985
4001 - 5000	04	0.5650	18420	0.5647
5001 - 10000	21	2.9661	146943	4.5051
Above 10000	23	3.2578	2771443	84.9693
<b>TOTAL</b>	<b>706</b>	<b>100</b>	<b>3261700</b>	<b>100</b>

i. Shareholding Pattern as on 31.03.2019 :-

S.No.	Category	Number of Shares Held	% of shareholding
1.	Promoters (Incl. Corp. Bodies)	2200800	67.4740
2.	Directors other than promoters	—	—
3.	Private Corporate Bodies	52742	1.6170
4.	Financial Institutions	31169	0.9556
5.	Clearing Members	260	0.0080
6.	Indian Public	976729	29.9454
	<b>Total</b>	<b>3261700</b>	<b>100</b>

Total Foreign shareholding is NIL.

**15. CODE OF CONDUCT :**

The Company's Board has laid down a code of conduct for all Board members and senior management of the Company. All Board members have affirmed compliance with the code of conduct. A declaration signed by the Managing Director to this effect is given at the end of this report. Code of conduct & Whistle Blower Policy have been displayed on Company's website [www.dhruvacapital.com](http://www.dhruvacapital.com).

**16. EMPLOYEES :**

There is no employee earning salary over and above as specified under Sec.197 of the Companies, Act, 2013.

**17. AUDITOR'S OBSERVATIONS :**

The observations in the Auditor's Report are self explanatory and therefore do not call for any further comments.

**18. ACKNOWLEDGEMENTS :**

Your Directors' place on record their grateful thanks and appreciation for the assistance received from the Auditors M/s T. K. BOHARA & CO., Chartered Accountants & Mr. Mohit Vanawat, Company Secretaries in practice, Yes Bank Ltd. & IndusInd Bank Ltd. Your Directors express their gratitude to the shareholders for the confidence reposed in the Company. Your Directors place on record their appreciation and thanks for the sincere efforts and active involvement by the employees of the Company during the year.

For and on behalf of the Board of Directors  
sd/-

L. S. KARNAWAT                      KAILASH KARNAWAT  
Chairman                                      Managing Director  
DIN: 00300844                              DIN: 00300998

Place : Udaipur  
Dated : 13th August, 2019

**: DECLARATION REGARDING CODE OF CONDUCT :**

I, Kailash Karnawat, Managing Director Dhruva Capital Services Ltd., declare that all Board members have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended 31<sup>st</sup> March, 2019.

For and on behalf of the Board of Directors

sd/-  
**KAILASH KARNAWAT**  
Managing Director  
DIN: 00300998

Place : Udaipur  
Dated: 13th August, 2019

## IMPORTANT CORPORATE INFORMATION

### DHRUVA CAPITAL SERVICES LTD.

CIN:L67120RJ1994PLC008593

ISIN : INE972E01014

**Website: [www.dhruvacapital.com](http://www.dhruvacapital.com)**

#### : BOARD OF DIRECTORS :

Mr. L.S. Karnawat	<b>Chairman</b>
Mr. Kailash Karnawat	<b>M D</b>
Mrs. Meena Karnawat	<b>Director</b>
Mr. Lalit Kachhara	<b>Director</b>
Mr. Upendra Tater	<b>Director</b>
Mr. Ashok Kumar Doshi	<b>Director</b>

#### : SHARES LISTED AT :

**BSE Ltd. (Bombay Stock Exchange), Mumbai**

#### : AUDITORS :

**T. K. Bohara & Co.**

(Chartered Accountants)

534-535, Lodha Complex, 4th Floor,  
Court Choraha, Udaipur (Raj.)

#### : BANKERS :

**INDUSIND Bank Ltd.**

Near Lok Kala Mandal, Panchwati Circle, Udaipur (Raj.)

**YES BANK LTD.**

Goverdhan Plaza, Opp. Lok Kala Mandal,  
Panchwati Circle, Udaipur (Raj.)

#### : REGISTERED OFFICE :

003 - 'A' "Circle View", 169, Fatehpura, Near Sukhadia Circle,  
UDAIPUR - 313 001 (Raj.)

Ph.: 0294 -2425555 Fax : 0294 -2423150

Website : [www.dhruvacapital.com](http://www.dhruvacapital.com)

#### : CORPORATE OFFICE :

First Floor, 60-D, Panchwati, UDAIPUR-313001 (Raj.).

Ph. : 2424907, 2423150 Fax : 0294 -2423150

E-mail: [dhruvacapital@gmail.com](mailto:dhruvacapital@gmail.com)

Website : [www.dhruvacapital.com](http://www.dhruvacapital.com)

#### : REGISTRAR & TRANSFER AGENT :

**Bigshare Services Pvt. Ltd.**

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments,  
Makwana Road, Marol, Andheri East, Mumbai - 400059

Tel. No. 022-62638200, Fax : 022-62638299

E-mail : [info@bigshareonline.com](mailto:info@bigshareonline.com)

[www.bigshareonline.com](http://www.bigshareonline.com)

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,  
**Dhruva Capital Services Ltd.**  
Udaipur (Raj.)

**Report on the Financial Statements**

We have audited the accompanying financial statements of Dhruva Capital Services Ltd., which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A', a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies [Audit and Auditors] Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 21 & 22 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **T. K. BOHARA & CO.**  
CHARTERED ACCOUNTANTS  
(FRN : 000798C)  
Sd/-  
**(CA MUKESH BOHARA)**  
PARTNER  
(M.No.: 401253)

Place : **UDAIPUR**  
Dated : **30th May, 2019**

## ANNEXURE 'A' TO THE AUDITOR'S REPORT

The Annexure referred to in Our Report of even date to the members of  
Dhruva Capital Services Limited on the accounts of the company for the year ended 31st March, 2019.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - (c) The title deed of immovable property under fixed assets is held in the name of Smt. Meena Karnawat as a Director of the Company. The purchaser in the registered purchase deed is mentioned as "Smt. Meena Karnawat W/o Shri Kailash Karnawat, Director Dhruva Capital Services Ltd., 003 A, 'Circle View', 169, New Fatehpura, Sukhadia Circle, Udaipur (Raj.).
2. As explained to us, the company is a NBFC and does not have any inventory.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. There are two such parties and the amount involved is Rs. 1,41,45,622/- The loans are in the nature of demand loan.
  - (a) Since the loans are in the nature of demand loans, in our opinion, the terms and conditions of the grant of the loans are prima-faciat not prejudicial to the interest of the company.
  - (b) The schedule of principal and interest has not been stipulated and hence we are unable to comment on regularity of repayments or receipts.
  - (c) According to the information and explanations given to us, since the nature of loans are demand loans, there are no overdue amount for more than ninety days.



4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
5. The Company has not accepted any deposits from the public during the year.
6. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for any of the services rendered by the company.
7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2019 for a period of more than six months from the date they became payable.  
b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
9. Based on our audit procedures and on the information given by the management, the company has applied the term loans for the purpose for which they have been obtained.
10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the information and explanations given to us and based on the examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on the examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is an Non banking Finance Company already registered under section 45-IA of the Reserve Bank of India Act, 1934.

For T. K. BOHARA & CO.  
CHARTERED ACCOUNTANTS  
(FRN : 000798C)

Sd/-

(CA MUKESH BOHARA)  
PARTNER  
(M.No.: 401253)

Place : UDAIPUR  
Dated : 30th May, 2019

## **ANNEXURE 'B' TO THE AUDITORS' REPORT**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').

We have audited the internal financial controls over financial reporting of Dhruva Capital Services Ltd. ('the Company') as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguard of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and standards of Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedure that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention and timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent Limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For T. K. BOHARA & CO.**  
 CHARTERED ACCOUNTANTS  
 (FRN : 000798C)

Sd/-

**(CA MUKESH BOHARA)**

PARTNER

(M.No.: 401253)

Place : UDAIPUR

Dated : 30th May, 2019

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members  
 Dhruva Capital Services Ltd.,  
 Udaipur (Raj.)

We have examined the compliance of conditions of Corporate Governance by M/s Dhruva Capital Services Ltd. for the year ended on 31.03.2019, as stipulated in Regulation 27 of LODR [(earlier Clause 49 of the Listing Agreement of the said company with the Bombay Stock Exchange (BSE Ltd.)).]

The Compliance of the conditions of the Corporate Governance is the responsibility of the Company's management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 27 of LODR [(earlier Clause 49 of the Listing Agreement of the said company with the Bombay Stock Exchange (BSE Ltd.)).]

As required by the guidance Note on certification of Corporate Governance issued by the Chartered Accountants of India, we have to state that, as per the records maintained by the Company as on 31.03.2019, there were no investor grievance matters against the Company remaining unattended / pending for more than 30 days.

We further state that such compliance neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For T. K. BOHARA & CO.**  
 CHARTERED ACCOUNTANTS  
 (FRN : 000798C)

Sd/-

**(CA MUKESH BOHARA)**

PARTNER

(M.No.: 401253)

Place : UDAIPUR

Dated : 30th May, 2019

# Twenty Fifth Annual Report

## BALANCE SHEET AS AT 31ST MARCH, 2019

PARTICULARS	NOTE NO.	As at 31-03-2019 Rs.	As at 31-03-2018 Rs.
<b>I. EQUITY AND LIABILITIES :</b>			
<b>(1) Shareholder's Funds :</b>			
(a) Share Capital	2	32617000.00	32617000.00
(b) Reserves & Surplus	3	12277144.09	12034679.26
(c) Money received against Share Warrants		0.00	0.00
(2) Share Application Money Pending allotment		0.00	0.00
<b>(3) Non-Current Liabilities:</b>			
(a) Long-Term Borrowing	4	319488.00	485170.83
(b) Deferred Tax Liabilities (Net)	5	293444.00	345345.00
(c) Other Long Term Liabilities		0.00	0.00
(d) Long-Term Provisions	6	2195014.00	2263322.00
<b>(4) Current Liabilities :</b>			
(a) Short-Term Borrowing	7	0.00	0.00
(b) Trade Payables	8		
(i) Total Outstanding of Micro & Small Enterprises		0.00	0.00
(ii) Total Outstanding dues of creditors other than Micro & Small Enterprises		482485.00	257302.00
(c) Other Current Liabilities	9	15000.00	15506.00
(d) Short-Term Provisions	10	142983.00	212325.00
<b>TOTAL</b>		<b>48342558.09</b>	<b>48230650.09</b>
<b>ASSETS :</b>			
<b>(1) Non-Current Assets :</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	11	1855712.00	2283536.00
(ii) Intangible Assets		0.00	0.00
(iii) Capital Work-in-Progress		0.00	0.00
(iv) Intangible Assets under development		0.00	0.00
(b) Non-Current Investments	12	24682577.90	24626207.90
(c) Deferred Tax Assets (Net)		0.00	0.00
(d) Long Term Loans & Advances	13	2162725.00	2231033.00
(e) Other Non-Current Assets		0.00	0.00
<b>(2) Current Assets :</b>			
(a) Current Investments		0.00	0.00
(b) Inventories		0.00	0.00
(c) Trade Receivables		0.00	0.00
(d) Cash and Cash Equivalents	14	99180.70	102004.70
(e) Short-Term Loans & Advances	15	19542362.49	18987868.49
(f) Other Current Assets		0.00	0.00
<b>TOTAL</b>		<b>48342558.09</b>	<b>48230650.09</b>
<b>Significant Accounting Policies</b>	1		

The notes referred above form an integral part of the Balance Sheet.

In terms of our report of even date.

For **T. K. BOHARA & CO.**

Chartered Accountants

(FRN : 000798C)

Sd/-

**(CA MUKESH BOHARA)**

Partner

(M.No. : 401253)

Place : Udaipur (Raj.)

Dated : 30th May, 2019

For and on behalf of the Board of Directors

Sd/-

**(L. S. KARNAWAT)**

Chairman

DIN: 00300844

Sd/-

**(KAILASH KARNAWAT)**

Managing Director

DIN: 00300998

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

PARTICULARS	NOTE NO.	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
1. Revenue from Operations	16	1948136.00	2230096.50
2. Other Income	17	341634.00	351217.81
3. Total Revenue (I+II)		<u>2289770.00</u>	<u>2581314.31</u>
4. Expenses			
Cost of Material Consumed		0.00	0.00
Purchases of Stock-in-Trade		0.00	0.00
Changes in inventories of Finished Goods, Work-in-Progress and Stock in Trade		0.00	0.00
Employee Benefits Expenses	18	996000.00	996000.00
Finance Costs	19	2685.17	42013.47
Depreciation and Amortization Exp.	11	427824.00	430200.00
Other Expenses	20	554714.00	512752.00
		<u>1981223.17</u>	<u>1980965.47</u>
5. Profit before Exceptional Items, Extraordinary Items and Tax (III-IV)		308546.83	600348.84
6. Exceptional Items		0.00	0.00
7. Profit before Extraordinary Items and Tax (V-VI)		308546.83	600348.84
8. Extraordinary Items		0.00	0.00
9. Profit before Tax (VI-VIII)		308546.83	600348.84
10. Tax Expenses			
(i) Current Tax		117983.00	186070.00
(ii) Prior Period Tax		0.00	0.00
(iii) Deferred Tax		-51901.00	-41877.00
11. Profit/(Loss) for the Period fr. Cont. Op. (VII-VIII)		242464.83	456155.84
12. Profit/(Loss) from Discontinuing Operations		0.00	0.00
13. Tax Expenses of Discontinuing Operations		0.00	0.00
14. Profit/(Loss) from Discontinuing Operations After Tax (XI-XIV)		0.00	0.00
15. Profit (Loss) for the Period (XI-XIV)		242464.83	456155.84
16. Earning per Equity Share			
(i) Basic		0.07	0.14
(ii) Diluted		0.07	0.14

**Significant Accounting Policies**

1

The notes referred above form an integral part of the P & L A/c.

In terms of our report of even date.

For **T. K. BOHARA & CO.**

Chartered Accountants

(FRN : 000798C)

Sd/-

**(CA MUKESH BOHARA)**

Partner

(M.No. : 401253)

Place : Udaipur (Raj.)

Dated : 30th May, 2019

For and on behalf of the Board of Directors

Sd/-

**(L. S. KARNAWAT)**

Chairman

DIN: 00300844

Sd/-

**(KAILASH KARNAWAT)**

Managing Director

DIN: 00300998

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

PARTICULARS	As at 31-03-2019 Rs.	As at 31-03-2018 Rs.
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit (After Tax) as per Profit & Loss A/c	242464.83	456155.84
<b>Adjustments for :-</b>		
Depreciation	427824.00	430200.00
Deferred Tax	(51901.00)	(41877.00)
Dividend Income	(54390.00)	(39232.50)
Interest on FDR	(0.00)	(0.00)
<b>Operating Profit before working capital changes</b>	<b>563997.83</b>	<b>805246.34</b>
<b>Adjustments for :-</b>		
Trade receivables	0.00	0.00
Loans & Advances	(554494.00)	542454.19
Trade Payables	225183.00	(829475.00)
Short Term Borrowings	0.00	0.00
Other Current Liabilities	(506.00)	(1422.00)
Provisions	(137650.00)	(4260.00)
<b>Net Cash from Operating Activities (A)</b>	<b>96530.83</b>	<b>512543.53</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Interest on FDR	0.00	0.00
Dividend Income	54390.00	39232.50
Purchase / Sale of Fixed Assets / Leased Assets	0.00	0.00
Investments in FDR	0.00	0.00
Investments in Real Estate	(56370.00)	0.00
<b>Net Cash from Investing Activities (B)</b>	<b>(1980.00)</b>	<b>39232.50</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

PARTICULARS	As at 31-03-2019 Rs.	As at 31-03-2018 Rs.
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Long Term Borrowings	(165682.83)	(566162.53)
Long Term Loans & Advances	68308.00	0.00
<b>Net Cash from Financing Activities (C)</b>	<b>(97374.83)</b>	<b>(566162.53)</b>
<b>Net increase in cash &amp; cash equivalents (A+B+C)</b>	<b>(2824.00)</b>	<b>(14386.50)</b>
<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>102004.70</b>	<b>116391.20</b>
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>99180.70</b>	<b>102004.70</b>
Note : Figures in bracket represents cash outflow.		
For and on behalf of the Board of Directors		
	sd/-	sd/-
Place : Udaipur	<b>(L. S. KARNAWAT)</b>	<b>(KAILASH KARNAWAT)</b>
Dated : 30th May, 2019	Chairman DIN: 00300844	Managing Director DIN: 00300998

**AUDITOR'S CERTIFICATE**

To,  
The Board of Directors,  
Dhruva Capital Services Ltd.,  
UDAIPUR (Raj.)

We have examined the cash flow statement of **DHRUVA CAPITAL SERVICES LIMITED** for the year ended 31st March, 2019. The statement has been prepared by the Company in accordance with the requirement of clause 32 of the Listing Agreement with Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 30th May, 2019 to the members of the Company.

For **T. K. BOHARA & CO.**  
Chartered Accountants  
(FRN : 000798C)

Place : Udaipur  
Dated : 30th May, 2019

Sd/-  
**(CA MUKESH BOHARA)**  
Partner  
(M.No. : 401253)

## **NOTES TO THE FINANCIAL STATEMENTS**

### **(1) SIGNIFICANT ACCOUNTING POLICIES :**

- (i). (a) The Financial accounts unless otherwise stated are prepared at historical cost under accrual method of accounting.
- (b) The accounting policies unless otherwise separately stated are in conformity with generally accepted accounting principles & Accounting Standards as issued by ICAI.

### **(ii). REVENUE RECOGNITION :**

- (a) Income of Non performing assets has been recognised as and when received (as per prudential norms of RBI).
- (b) Income from dividend is recognised on cash basis.
- (c) Lease rental received (if any) is accounted as income and is not bifurcated in interest income and principal amount repayment as required by Accounting Standards - 19 "Accounting for Lease" of ICAI in respect of Financial Lease as none of the lease agreement have been entered on or after 1.4.2001 when the said Accounting Standard became applicable.

### **(iii). INVESTMENT :**

Investment is classified into current investment & long term investment.

Long term investments are valued at cost and provision will be made for permanent diminution in value of such investment.

Current investments are valued scrip wise at cost or market price whichever is lower.

### **(iv). FIXED ASSETS AND DEPRECIATION :**

- (a) Fixed assets are stated at cost (including capitalised interest, if any) less depreciation.
- (b) Depreciation on owned assets is provided on Straight Line method at the rate prescribed in Schedule II of Companies Act, 2013.
- (c) All assets given on finance lease, on or before 31st March, 2001 are capitalised as fixed assets & depreciation on leases assets is provided on flat rates spread over the lease period as per the lease agreement or at the rate prescribed under Schedule II of Companies Act, 2013 whichever is higher.
- (d) Depreciation on additions made is provided on pro rata basis from the date of their use.

### **(v). PROVISION AGAINST LOANS AND OTHER CREDIT FACILITIES :**

Provision on Non Performing Assets has been provided as per the prudential norms issued by the RBI.

### **(vi). RETIREMENT BENEFITS :**

The provision of gratuity are not applicable to the Company.

### **(vii). PRIOR PERIOD ADJUSTMENT :**

Prior period expenses / income (if any) are shown separately in the Profit & Loss A/c.

### **(viii) TAXES ON INCOME :**

Current tax is determined in accordance with the provisions of the Income Tax Act 1961, as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognized for all timing differences. Deferred tax assets are carried forward to the extent it is probable that future taxable profit will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each balance sheet.



## NOTES TO THE FINANCIAL STATEMENTS

PARTICULARS	As at 31-03-2019 Rs.	As at 31-03-2018 Rs.			
<b>2. SHARE CAPITAL :</b>					
<b>AUTHORISED CAPITAL</b>					
3500000 Equity Shares of Rs.10/- each	<u>35000000.00</u>	<u>35000000.00</u>			
TOTAL :	<u>35000000.00</u>	<u>35000000.00</u>			
<b>ISSUED CAPITAL</b>					
3261700 Equity Shares of Rs.10/- each	<u>32617000.00</u>	<u>32617000.00</u>			
TOTAL :	<u>32617000.00</u>	<u>32617000.00</u>			
<b>SUBSCRIBED AND PAID UP CAPITAL</b>					
3261700 Equity Shares of Rs.10/- each	<u>32617000.00</u>	<u>32617000.00</u>			
TOTAL :	<u>32617000.00</u>	<u>32617000.00</u>			
<b>DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF THE TOTAL EQUITY SHARE CAPITAL OF THE COMPANY</b>					
S. No.	NAME OF SHAREHOLDER	As at 31.03.2019 No. of Shares	%	As at 31.03.2018 No. of Shares	%
			HELD		HELD
1.	MEENA KARNAWAT	651800	19.98%	651800	19.98%
2.	NAKUL BUILDERS & DEV. P. LTD.	644500	19.76%	644500	19.76%
3.	KAILASH KARNAWAT	576200	17.67%	576200	17.67%
4.	KARNAWAT HIRE PURCHASE P. LTD.	198300	6.08%	198300	6.08%
5.	NAKUL KARNAWAT	200800	6.16%	200800	6.16%
<b>3. RESERVES &amp; SURPLUS :</b>					
Balance as per last Balance Sheet		9716997.36		9352072.69	
Add : Profit/Loss of the year		242464.83		456155.84	
Less : Transferred to special reserve fund		48492.97		91231.17	
Less : Adjustments		0.00		0.00	
TOTAL (A) :		<u>9910969.23</u>		<u>9716997.36</u>	
<i>SPECIAL RESERVE FUND Transferred from Reserves &amp; Surplus (u/s 45 IC of RBI Act,1934) [@20% of Net Profit]</i>					
Balance as per Last Balance Sheet		2317681.90		2226450.73	
For corresponding Financial Year		48492.97		91231.17	
TOTAL (B) :		<u>2366174.86</u>		<u>2317681.90</u>	
GRAND TOTAL (A+B) :		<u><u>12277144.09</u></u>		<u><u>12034679.26</u></u>	
<b>4. LONG TERM BORROWINGS :</b>					
Margin Money on A/c of Lease/H.P. Assets		<u>319488.00</u>		<u>337488.00</u>	
TOTAL (A) :		<u>319488.00</u>		<u>337488.00</u>	
BMW Financial Services Pvt. Ltd. : (Car Loan)		0.00		147682.83	
TOTAL (B) :		<u>0.00</u>		<u>147682.83</u>	
GRAND TOTAL (A+B) :		<u><u>319488.00</u></u>		<u><u>485170.83</u></u>	

## NOTES TO THE FINANCIAL STATEMENTS

PARTICULARS	As at 31-03-2019 Rs.	As at 31-03-2018 Rs.
<b>5 DEFERRED TAX LIABILITIES (NET) :</b>		
Op. Balance	345345.00	387222.00
Add : Transferred from Profit and Loss Account	<u>-51901.00</u>	<u>-41877.00</u>
TOTAL :	<u>293444.00</u>	<u>345345.00</u>
<b>6. LONG TERM PROVISIONS :</b>		
Provision for NPA (Liability)	2149725.00	2218033.00
Continent Provision Against Standard Assets	<u>45289.00</u>	<u>45289.00</u>
TOTAL :	<u>2195014.00</u>	<u>2263322.00</u>
<b>7. SHORT TERM BORROWINGS :</b>		
Unsecured Loans from Body Corporates (Repayable on Demand) (taken from Related Parties)		
Kailash Karnawat	<u>0.00</u>	<u>0.00</u>
TOTAL (A) :	<u>0.00</u>	<u>0.00</u>
<b>8. TRADE PAYABLES :</b>		
(A) Total Outstanding dues of micro & small enterptises	0.00	0.00
(B) Total Outstanding dues of creditors other than micro & small enterprises		
Salary Payable	23000.00	23000.00
Outstanding Expenses	0.00	13992.00
Big Share Services Pvt. Ltd.	5310.00	5310.00
Kailash Karnawat (MD) Salary	395000.00	175000.00
Novergy Energy Solution Pvt. Ltd.	40000.00	40000.00
Equifax	5900.00	0.00
Experion Credit Information Company	<u>13275.00</u>	<u>0.00</u>
TOTAL (B) :	<u>482485.00</u>	<u>257302.00</u>
<b>9 OTHER CURRENT LIABILITIES : Sundry Creditors</b>		
For Capital Goods	0.00	0.00
For Others		
TDS Payable	15000.00	15506.00
(DUES TO SMALL SCALE INDUSTRIES - NIL)		
TOTAL (C) :	<u>15000.00</u>	<u>15506.00</u>
<b>10. SHORT TERM PROVISIONS :</b>		
Provision for Audit Fees	25000.00	26255.00
Provision for Income Tax	<u>117983.00</u>	<u>186070.00</u>
TOTAL (D) :	<u>142983.00</u>	<u>212325.00</u>
GRAND TOTAL (A to D) :	<u>640468.00</u>	<u>485133.00</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**11. FIXED ASSETS : (Amount in Rs.)**

Owned Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost As at 01-04-2018	Addition During the Period	Sales/ Transfer	Cost as at 31-03-2019	For the year	Sales/ Transfer	Prior Period Adjustment	As at 31-03-2019	As at 31-03-2018
<b>DESCRIPTION</b>	Rate								
1. Premises	1.63%	1185944.00	—	1185944.00	20016.00	—	—	720597.00	740613.00
2. Vehicles	9.50%	3164531.00	—	3164531.00	407808.00	—	—	815625.00	1223433.00
3. Office Equipments	4.75%	210029.00	—	210029.00	0.00	—	—	1.00	1.00
<b>Total (A) :</b>		<b>4560504.00</b>	<b>0.00</b>	<b>4560504.00</b>	<b>427824.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1536223.00</b>	<b>1964047.00</b>
<b>Prev. Yr. Figures :</b>		<b>4560504.00</b>	<b>0.00</b>	<b>4560504.00</b>	<b>430200.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1964047.00</b>	<b>2394247.00</b>

Leased Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost As at 01-04-2018	Addition During the Period	Sales/ Transfer	Cost as at 31-03-2019	For the year	Sales/ Transfer	Prior Period Adjust ment	As at 31-03-2019	As at 31-03-2018
<b>DESCRIPTION</b>									
1. Vehicles	1426001.00	—	—	1426001.00	—	—	—	209489.00	209489.00
2. Plant & Machinery	410000.00	—	—	410000.00	—	—	—	110000.00	110000.00
<b>Total (B) :</b>	<b>1836001.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1836001.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>319489.00</b>	<b>319489.00</b>
<b>Grand Total (A+B) :</b>	<b>6396505.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6396505.00</b>	<b>427824.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1855712.00</b>	<b>2283536.00</b>
<b>Previous Year Figures</b>	<b>6396505.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6396505.00</b>	<b>430200.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2713736.00</b>	<b>3193939.00</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. NON - CURRENT INVESTMENTS :

#### (A) INVESTMENT EQUITY INSTRUMENTS QUOTED SHARES (At Cost) : (Amount in Rs.)

Description	Face Value(Rs.)	No. of Shares	Value as at 31-03-2019	No. of Shares	Value as at 31-03-2018
Warner Multimedia Ltd.	10.00	1200	18000.00	1200	18000.00
Swasti Vinayaka Synthetics Ltd.	1.00	77000	147412.77	77000	147412.77
Carol Inforservices Ltd.	10.00	250	7500.00	250	7500.00
S.R.F. Ltd.	10.00	250	5312.50	250	5312.50
S.R.F. Polymers Ltd.	10.00	100	—	100	—
Steel Authority of India Ltd.	10.00	31633	272360.13	31633	272360.13
Reliance Capital & Finance Ltd.	10.00	625	64793.75	625	64793.75
Silverline Technologies Ltd.	10.00	10	18240.00	100	18240.00
Silverline Animation Ltd.	10.00	4	—	—	—
Pentamedia Graphics Ltd.	10.00	1732	305644.50	1732	305644.50
Mahindra & Mahindra Ltd.	10.00	275	46535.50	275	46535.50
Kopran Ltd.	10.00	250	23417.50	250	23417.50
IFCI Ltd.	10.00	1250	10062.50	1250	10062.50
GTL Ltd.	10.00	1075	496574.75	1075	496574.75
Glaxo Smithkline Pharma Ltd.	10.00	75	34689.00	75	34689.00
Aptech Ltd.	10.00	240	52236.00	240	52236.00
Hexaware Technologies Ltd.	10.00	160	34824.00	160	34824.00
Madhav Granites Ltd.	30.00	4500	135000.00	4500	135000.00
GTL Infrastructure Ltd.	10.00	2216	11410.00	2216	11410.00
<b>TOTAL (A) :</b>			<b>1684012.90</b>		<b>1684012.90</b>

(Market Value as on 31.03.2019 is Rs. 39,03,379/-)

#### (B) INVESTMENT IN UNQUOTED SHARES (At Cost) :

Name of the Company	Face Value	No. of Shares	Value as at 31-03-2019	No. of Shares	Value as at 31-03-2018
Karnawat Hire Purchase Pvt. Ltd.	10.00	497500	4975000.00	497500	4975000.00
<b>TOTAL (B) :</b>			<b>4975000.00</b>		<b>4975000.00</b>

#### (C) INVESTMENT IN PROPERTIES (REAL ESTATE) :

(i) Agriculture Land (Kaliwas-Nathdwara)	818390.00	818390.00
(ii) Agriculture Land (Navratna -Bhuwana)	1255210.00	1255210.00
(iii) Land Purchase (Navratna II)	2335420.00	2335420.00
(iv) Land Purchase (Maruwas)	234860.00	234860.00
(v) Land Purchase (Rama)	13379685.00	13323315.00
<b>TOTAL (C) :</b>	<b>18023565.00</b>	<b>17967195.00</b>

**GRAND TOTAL (A to C) :**

**24682577.90**

**24626207.90**

## NOTES TO THE FINANCIAL STATEMENTS

PARTICULARS	As at 31-03-2019 Rs.	As at 31-03-2018 Rs.
<b>13. LONG TERM LOANS &amp; ADVANCES :</b>		
(A) SUNDRY DEBTORS - UNSECURED (CONSIDERED GOOD) :		
More than Six Months	2149725.00	2218033.00
TOTAL (A) :	<u>2149725.00</u>	<u>2218033.00</u>
(B) SECURITY DEPOSITS	13000.00	13000.00
TOTAL (B) :	<u>13000.00</u>	<u>13000.00</u>
GRAND TOTAL (A+B) :	<u><u>2162725.00</u></u>	<u><u>2231033.00</u></u>
<b>14. CASH &amp; CASH EQUIVALENTS :</b>		
Cash in hand	84781.16	42562.16
Balances with Scheduled Banks :-		
In Current Accounts (INDUSIND BANK)	12300.04	57832.04
YES BANK	2099.50	1610.50
TOTAL :	<u>99180.70</u>	<u>102004.70</u>
<b>15. SHORT TERM LOANS &amp; ADVANCES :</b>		
(1) Secured Advances (Considered Good)	18549263.00	18111583.00
TOTAL (A) :	<u>18549263.00</u>	<u>18111583.00</u>
(2) Unsecured Advances (Considered Good)	993099.49	876285.49
TOTAL (B) :	<u>993099.49</u>	<u>876285.49</u>
GRAND TOTAL (A+B) :	<u><u>19542362.49</u></u>	<u><u>18987868.49</u></u>
<b>16. REVENUE FROM OPERATIONS :</b>		
Interest on Loans	1825438.00	2189707.00
Provision for NPA written back (recovery)	68308.00	
Dividend Income	54390.00	39232.50
Interest on FDR	0.00	1157.00
TOTAL :	<u>1948136.00</u>	<u>2230096.50</u>
<b>17. OTHER INCOME :</b>		
Office Rent income	272299.00	259331.00
Income from sale of grass (RAMA)	52850.00	56000.00
Interest on Income Tax Refund	0.00	32410.81
Other Income	16485.00	3476.00
TOTAL :	<u>341634.00</u>	<u>351217.81</u>
<b>18. EMPLOYEE BENEFIT EXPENSES :</b>		
Director's Remuneration	720000.00	720000.00
Salaries & Wages	276000.00	276000.00
TOTAL :	<u>996000.00</u>	<u>996000.00</u>
<b>19. FINANCE COSTS :</b>		
Interest on Loan	2685.17	42013.47
TOTAL :	<u>2685.17</u>	<u>42013.47</u>

## NOTES TO THE FINANCIAL STATEMENTS

PARTICULARS	AMOUNT (Rs.) CURRENT YEAR	AMOUNT (Rs.) PREVIOUS YEAR
<b>20. OTHER EXPENSES :</b>		
Audit Fees (including service tax)	20995.00	27510.00
Advertisement Expenses	6000.00	5900.00
Annual Custody Fees	22420.00	20700.00
Depository Services Expenses	38194.00	34099.00
Legal & Professional Fees	19500.00	29840.00
Listing Fees	295000.00	287500.00
News Papers & Periodicals Expenses	1230.00	1615.00
Office Expenses	7672.00	14751.00
Photo Copies Expenses	450.00	1235.00
Postage Expenses	12773.00	1666.00
Discount & Rebate	308.00	0.00
Printing & Stationery Expenses	6500.00	9382.00
Repair & Maintenance (Gen.+Society)	0.00	1050.00
ROC Filling Charges	6050.00	1800.00
Telephone & Mobile Phone Expenes	0.00	13623.00
CIC Expences	48675.00	0.00
Vehicle Running & Maintenance Expenses	68947.00	62081.00
	<u>554714.00</u>	<u>512752.00</u>
<b>21 PROVISION FOR NPA :</b>		
In accordance with the guidelines issued by the RBI, the provision of NPA for current year is Rs. NIL.		
<b>22</b>		
Margin money on account of Leased & Hire Purchase assets represent difference between the purchase value of leased / hire purchase assets and money advanced as loans.		
<b>23. PAYMENT TO DIRECTORS IS AS UNDER :</b>		
	<b>Current Year</b>	<b>PreviousYear</b>
(a) Salary	720000.00	720000.00
(b) Director's perquisites	0.00	0.00
	<u>720000.00</u>	<u>720000.00</u>
<b>24. Auditors Remuneration :</b>		
	<b>Current Year</b>	<b>PreviousYear</b>
(a) For Audit and Tax Audit	20995.00	14000.00
(b) For Taxation Matters and Company Law Matters	9000.00	8250.00
(c) Service Tax (GST)	0.00	4005.00
	<u>29995.00</u>	<u>26255.00</u>

## NOTES TO THE FINANCIAL STATEMENTS

25. The company has been granted certificate of Registration as provided in section 45 IA of the RBI Act 1934 issued on 1-9-1999 but the same is not valid for accepting deposits.
26. No employee is in employment of the Company throughout the financial year for a remuneration which in aggregate exceeded Rs. 60,00,000/- per annum or employed for remuneration which in aggregate exceeded Rs. 5,00,000/- per month, if employed for part of the year.
27. The Company's operations predominantly comprise only of one segment i.e. financial services which include hire purchase, lease, interest on ICD, loans and advances and hence the figures shown are related to only that segment.

**28. Earning per share :**

(i) <b>BASIC EARNING PER SHARE</b>	Current Year	Previous Year
Earning per share has been calculated as follows:		
Profit / (Loss) after tax	<b>242464.83</b>	456155.84
a. Profit / (Loss) available for equity shares	<b>242464.83</b>	456155.84
b. Computation of weighted equity shares		
Opening Balance	<b>3261700</b>	3261700
Adj. of shares issued or existing during the year	<b>NIL</b>	NIL
Weighted average equity shares	<b>3261700</b>	3261700
Earning per share (Basic) (a÷b)	<b>0.07</b>	0.14

**(ii) DILUTED EARNING PER SHARE**

Diluted earning per share is same as Basic Earning per share as the Company does not have any potential equity shares as defined under AS 20 "Earning Per share" issued by ICAI.

**29. Related parties disclosures:**

**1. Relationship :**

**(a) Key management personal :**

- |                       |                     |
|-----------------------|---------------------|
| Shri L.S. Karnawat    | - Chairman          |
| Shri Kailash Karnawat | - Managing Director |

**(b) Other related parties where control exists :**

- Pathik Hotel & Motel Ltd.
- Karnawat Hire Purchase Pvt. Ltd.
- Circle View Estate Pvt. Ltd.
- Nakul Builders & Developers Pvt. Ltd.
- Vardhman Fincon Pvt. Ltd.
- Karnawat Brothers
- Sampat Automobiles
- Kailash Karnawat & Family (HUF)
- Laxman Singh Karnawat & Sons (HUF)
- Meenkamal Enterprises Pvt. Ltd.

**(c) Relatives of key management personnel and their enterprises where transaction have taken place :**

- M/s Sampat Automobiles
- M/s Nakul Builders & Developers Pvt. Ltd.

**Note :** Related party relationship is as identified by the Company and relied upon by the Auditors.

## NOTES TO THE FINANCIAL STATEMENTS

2. Transaction carried out with related parties in 1 above in ordinary course of business of the Company.

PARTICULARS	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above	TOTAL
<b>Investments :</b>				
(a) Purchased during the year	—	—	—	—
(b) Sold during the year	—	—	—	—
(c) Balance as at 31st March' 19	—	4975000.00	—	4975000.00
<b>Loans &amp; Advances :</b>				
(a) Given during the year	—	—	—	—
(b) Returned during the year	—	1306264.00	—	1306264.00
(c) Taken during the year	—	0.00	—	0.00
(d) Repaid during the year	—	0.00	—	0.00
(e) Balance as at 31st March' 19	—	14145622.00	—	14145622.00
(f) Interest receivable as at 31-03-2019	—	—	—	—
<b>Current Liability :</b>				
<b>Remuneration Payable / Off. Rent Payable</b>	—	395000.00	—	395000.00
<b>Interest Income</b>	—	1697518.00	—	1697518.00
<b>Interest Expenses</b>	—	0.00	—	0.00
<b>Expenses on Remuneration / Off. Rent</b>	720000.00	0.00	—	720000.00
<b>Expenses on House Rent of MD</b>	—	—	—	----
<b>Contingent Liability (Guarantee)</b>	—	—	—	—

30. Disclosure as required under Circular No. Ref. DBS. FID. No. C-2/01-02-00/2003- 04, dt.10-07-2003 has not been made.

In terms of our report of even date.

For **T. K. BOHARA & CO.**

Chartered Accountants

(FRN : 000798C)

Sd/-

**(CA MUKESH BOHARA)**

Partner

(M.No. : 401253)

Place : Udaipur (Raj.)

Dated : 30th May, 2019

For and on behalf of the Board of Directors

Sd/-

**(L. S. KARNAWAT)**

Chairman

DIN: 00300844

Sd/-

**(KAILASH KARNAWAT)**

Managing Director

DIN: 00300998



## SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY

[as required in terms of Para 13 of Non Banking Financial (Non Deposit Accepting or Holding)  
Companies Prudential Norms (Reserve Bank) Directions, 2007]

### LIABILITIES SIDE:

(Amount Rs.)

Particulars	Amt. Outstanding	Amt. Overdue
-------------	------------------	--------------

(1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :		
(a) Debentures : Secured	—	—
: Unsecured	—	—
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	—	—
(c) Term Loans —	—	—
(d) Inter-corporate loans and borrowings —	—	—
(e) Commercial paper —	—	—
(f) Public Deposits * —	—	—
(g) Other Loans (specify nature) (From Director / Unsecured)	—	—

\* Please see Note 1 below

### ASSET SIDE :

Particulars	Amt. Outstanding
-------------	------------------

(2) Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :	
(a) Secured	18549263.00
(b) Unsecured	993099.49
(3) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities.	
(i) Leased assets including lease rentals under sundry debtors:	
(a) Financial Lease	2149725.00
(b) Operating Lease	—
(ii) Stock on hire including hire charges under sundry debtors	
(a) Assets on hire	0.00
(b) Repossessed Assets	—
(iii) Hypothecation loans counting towards EL/HP activities	
(a) Loans where assets have been repossessed.	—
(b) Loans other than (a) above	—
(4) Break-up of Investments:	

S. No.	Particulars	Current Investments		Long Term Investments	
		Quoted	Unquoted	Quoted	Unquoted
(i)	Shares : (a) Equity	—	—	1684012.90	4975000.00
	(b) Preference	—	—	—	—
(ii)	Debentures and Bonds	—	—	—	—
(iii)	Units of Mutual Funds	—	—	—	—
(iv)	Government Securities	—	—	—	—
(v)	Others (Real Estate)	—	—	—	18023565.00

- (5) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:  
\*Please See Note 2 below.

S. No.	Category	Amount net of provisions		
		Secured	Unsecured	Total
(1)	Related Parties **			
	(a) Subsidiaries	—	—	—
	(b) Companies in the same group	11216908.00	—	11216908.00
	(c) Other related parties	2928714.00	—	2928714.00
(2)	Other than related parties	4403641.00	993099.49	5396740.49
	<b>TOTAL</b>	<b>18549263.00</b>	<b>993099.49</b>	<b>19542362.49</b>

- (6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :  
\* Please see Note 3 below.

S. No.	Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
1	Related Parties**		
	(a) Subsidiaries	—	—
	(b) Companies in the same group	—	—
	(c) Other related parties (Unquoted) ***	7024700.00	4975000.00
2	Other than related parties (Quoted)	3903379.00	1684012.90
	<b>TOTAL</b>	<b>10928079.00</b>	<b>6659012.90</b>

\*\* As per Accounting Standard of ICAI (Please see Note 3).

\*\*\* As per Audited Balance sheet dated 31-03-2019.

- (7) Other Information :

S. No.	Particulars	Amount Outstanding	
		Gross Non-Performing Assets	Net Non-Performing Assets
1.	Related parties	—	—
2.	Other than related parties	2149725.00	2149725.00
3.	Assets acquired in satisfaction of debt.	—	—

## NOTES :

- As defined in Paragraph 2 (1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

**DHRUVA CAPITAL SERVICES LIMITED**

Regd. Office:003 -A, "Circle View"  
169, Fatehpura, Near Sukhadia Circle, Udaipur (Raj.)

**PROXY FORM**

I/We ..... of .....  
being a member / members of the above named Company do hereby appoint  
Shri.....of..... as  
my/our Proxy to vote for me/us on my/our behalf at the Twenty Fifth Annual General Meeting of the  
Company to be held on Monday 30.09.2019 at 11.30 A.M. at its Corporate Office, situated at First  
Floor, 60 D, Panchwati, Udaipur 313001 (Raj.).

Signed this the..... day of September, 2019.

Regd. Folio No. / DP ID - CL ID

.....

No. of Shares held .....

Signature of Proxy .....

Signature of 

Affix Rs.1/- Revenue Stamp
-------------------------------------

 Shareholder

Note : The Companies Act, 2013 lays down that an instrument appointing a proxy shall  
be deposited at the Company's Registered Office, at least 48 hours before the  
meeting. The Proxy need not be a member of the Company.

**DHRUVA CAPITAL SERVICES LIMITED**

Regd. Office : 003-A, "Circle View"  
169, Fatehpura, Near Sukhadia Circle, Udaipur (Raj.)

**ATTENDANCE SLIP**

Shareholders attending the Meeting in person or by proxy are requested to complete this  
attendance slip and hand over at the entrance of the meeting hall.

I hereby record my presence at the 25th Annual General Meeting being held on Monday 30th day of  
September, 2019 at 11.30 A.M. at its Corporate Office situated at First Floor, 60-D, Panchwati,  
Udaipur-313001(Raj.).

Full name of the Shareholder / Proxy .....

Regd. Folio No. / DP ID - CL ID ..... No. of Shares held .....

**Signature of Person Attending AGM**

Note: Please sign this attendance slip and hand over at the entrance of the meeting hall.

**PRINTED MATTER  
BOOK - POST**



*If undelivered please return to :*

**DHRUVA CAPITAL SERVICES LTD.**

First Floor, 60-D, Pachwati, Udaipur-313 001 (Raj.), Phone : 0294-2424907

**Note :** Members are requested to bring their copy of the Annual Report along with them at the venue of Annual General Meeting.